

ACCOUNTING OF NON PROFIT ORGANISATION

INCOME & EXPENDITURE ACCOUNT

1] Following is the Receipts and Payments Account of Youth Association' Md. Ali Park for the year ended 31st December 2007.

Receipt and Payment Account for the year ended 31.12.07.

Receipt	Amount	Payment	Amount
To balance B/F		By Rent of Club ground	3,200
Cash in Hand	6500	By Salaries of Staff	4,800
Cash at bank	12,500	By Sports Expenses	13,700
To Entrance fees	6000	By Remunerations to Coach	6,000
To subscription	36000	By Equipments	18,000
		By Printing & Stationery	6,600
		By Sundry Expenses	2,400
		By Balance C/F	
		Cash in Hand	1,500
		Cash at Bank	4,800
	61,000		61,000

The following information's are also available :

	As on 31.12.06	As on 31.12.07
Subscription received in Advance	3000	6000
Outstanding subscription	4000	9000
Outstanding Rent	800	1200
Prepaid Salary	600	500
Equipments	34,000	50,000

60% of Entrance fee is to be Capitalized.

Prepare Income & Expenditure Account for the year Ended 31.12.07

[Surplus Rs 1,200]

2] From the following Receipts and Payments A/c. of New National Sporting Club. Prepare an Income-Expenditure A/c. for the year ending on 31.12.2007.

Receipts and Payments Account for the year Ended on 31.12.2007

Dr.		Cr.	
Receipts	Rs.	Payments	Rs.
To balance b/d	7,600.00	By sports Equipments	30,000.00
To Subscriptions		(Purchased on 1.10.2007)	
2006	2,000.00	By Postage & Stationery	700.00
2007	37,000.00	By Salaries & Wages	5,000.00
2008	3,000.00	By upkeep of ground	1,000.00
To Admission Fees	4,000.00	By Electric Charges	2,300.00
To Locker Rents	1,000.00	By Tournament Expenses	9,000
To Interest on Govt. Securities	1,200.00	By Balance c/d	7,800.00

55,800.00

55,800.00

The Fixed Assets of the Club as on 1st January 2007 include the following :

Sports Equipments Rs. 40,000/- Furniture Rs. 6,000/-10% Govt. Securities Rs. 16,000/- Club Ground Rs. 25,000/- **Other Information:**

(a) Subscription for 2007 collected in 2006 Rs. 1,500/-

(b) Subscription for 2007 are outstanding Rs. 1,000/-

(c) Depreciation to be provided @15% p.a. on Sports Equipment 7.5% p.a. on Furniture.

[Surplus Rs 20,525]

3] From the Receipts and payment Account of green park cricket club you are asked to prepare an Income and Expenditure Account for the year ended on 31st December, 2009.

Receipts and Payment Account for the year ended 31.12.09

Receipts	Amount	Payment	Amount
To balance b/d		By salaries	2100
Cash in hand	1,200	“ Rent	3,600
Cash at Bank	3,400	“ Equipments	10,000
“ subscriptions	24,500	“ Sport Expenses	4,700
“ Entrance fees	3,000	“ Remuneration to coach	4,000
		“ Sundry expenses	1,100
		“ Printing and stationery	800
		“ Balance c/d	
		“ cash in hand	1,700
		“ cash at Bank	4,100
	32,100		32,100

The following information are also available :

	31.12.2008	31.12.2009
	Rs.	Rs.
Subscriptions received in advance	1,400	2,700
Outstanding subscription	2,100	3,200
Outstanding Rent	600	300
Advance salaries	1,200	900
Equipments	18,000	23,000

60% of the entrance fees is to be capitalized . Interest on saving Bank Account for Rs. 280 has not been entered in the cash book. An old equipment (W.D.V Rs. 8,000) was exchanged at an agreed price of Rs. 5,000 for a new equipment costing Rs. 15,000.

[Ans. Surplus for the year of the club Rs. 4,480; Subscription for the year Rs. 24,300]

4] The following is the receipts and payment account of Fitwell club for the year ended 31.3.2006;

Receipts	Rs.	Payments	Rs.
To cash in hand	4,080	By salary	18,640
To entrance fees	4,000	By rent	7,440
To subscriptions;		By electricity	3,120
2004-05 1,000			
2005-06 12,200			
2006-07 1,400	14,600		
To sales of investment	30,000	By printing and stationery	1,320
To loan taken from Mr.smart	8,000	By insurance premium	720
		By general expenses	1,840
		By purchases of new furniture	18,000
		By cash in hand	9,600
	60,680		60,680

(1) You are also informed that:

Outstanding and prepaid expenses on 31 st March , were:	2005	2006
	Rs.	Rs.
Rent due	720	1,440
Electricity bill due	2,560	800
Subscription due	1,000	1,600
Prepaid insurance	200	280

(2) Cost of investments sold was Rs. 20,000. The surplus is to be treated as income.

(3) On 31st March , 2005 book value of furniture was Rs. 12,000 . New furniture purchased on 1st October ,2005. Depreciation is to be provided at the rate of 10% p.a.

(4) Entrance fee is to be treated as Revenue.

(5) Loan from Mr. Smart was taken on 1st October , 2005. Interest at 10% p.a. payable thereon.

You are required to prepare:

(a) Income and Expenditure account of the club for the year ended 31st March , 2006.

(b) Balance sheet as at that date.

5] Following is the Receipts and payments Account of Star Club for the year ended 31st Dec., 1993:

Receipts	Rs.	Payments	Rs.
To balance b/d on 1-1-1993	4,400	By salaries	18,200
To subscriptions	46,100	By rent	15,000
To Interest	2,500	By printing and stationery	7,300
To Tournament Fund	12,000	By expenses on Charity show	16,100
To Donation	6,000	By Tournament Expenses	7,500
To Donation for Building extension	20,000	By Investments purchased	10,000
To Receipts from advertisement in the year book	5,200	By Furniture	6,000
		By balance c/d on 31-12-1993	16,100
	96,200		96,200

a) Subscriptions outstanding on 31st Dec., 1992 were Rs. 4,500 and on 31st Dec. 1993 were Rs. 6,000.

b) rent outstanding at the beginning of the year was Rs. 1,000 and in the end was Rs. 1,500.

- c) furniture was purchased on 1st April, 1993.
 d) On 1st January, 1993 the club had furniture valued Rs. 8,000 and investments valued Rs. 15,000.

Prepare income and expenditure A/c for the year ended 31st December, 1993 and a balance sheet as on that date, after depreciating furniture by 10% p.a.

[Ans. Opening Capital fund Rs. 30,900; excess of income over expenditure Rs. 2,950; balance sheet total Rs. 59,850.]

6] A summary of Receipts and Payments of Medical Aid Society is given below:

Receipts and Payments Accounts for the year ended 31st December, 2006.

Dr.		Cr.	
Receipt	Amount	Payments	Amount
To Balance (1.1.06)	10,000	By Purchase of medicine	40,000
To Subscription	70,000	By Honorarium to doctor	12,000
To Donation	19,500	By Salaries	37,500
To Interest on Investment		By Sundry Exp.	800
@ 8% p.a.	8,000	By Repairing Exp.	1,200
To House Rent Received	20,500	By Electricity & lighting	6,000
		By Balance (31.12.2006)	30,500
	<u>1,28,000</u>		<u>1,28,000</u>

Additional information:

	1.1.2006	31.12.2006
(i) Subscription due	1,500	2,500
(ii) Subscription received in advance	2,500	3,500
(iii) Stock of medicines	16,000	20,000
(iv) Value of equipments	40,000	36,000
(v) Value of building	50,000	49,000

Prepare the Income and Expenditure Account for the year ended 31.12.2006. Also prepare a Balance Sheet as on 31.12.06.

[Opening capital Fund Rs2,15,000 , Surplus Rs19,500, Balance Sheet 2,38,000]

7] A summary of receipts and payments of charitable society is given below : for the year ended 31.12.08.

Receipts	Rs.	Payments	Rs.
To Balance b/f.	10,000	By Sundry expenses	1,000
To Subscription	60,000	By Equipment purchased	15,000
To Charity show proceeds	12,000	By Honorarium to Doctor	20,000
To Donation	14,500	By Payment for medicine	32,000
To Interest on Investment(7.5 %)	7,500	By salaries to staff	27,500
		By charity show exp.	1,000
		By balance c/d	7,500
	1,04,000		1,04,000

Additional Information :

	01.01.08	31.12.08
	Rs.	Rs.
a) Stock of Medicines	10,000	15,000

b) Amount due to medicine suppliers	8,000	12,000
c) Subscription Due	1,000	1,500
d) Subscription received in advance	2,500	2,000
e) Value of equipment	29,000	38,000
f) Value of building	1,00,000	98,000

Prepare the Income and Expenditure Account for the year ended 31.12.2008. Also prepare a Balance Sheet as on 31.12.08.

[Opening capital Fund Rs 2,39,500, Surplus Rs 6,500 , Balance Sheet 2,60,000]

8] The following is the receipts and Payment A/c of a cultural Society for the year ended 31.12.04

Receipts	Rs.	Payment	Rs.
Cash in hand on 1st Jan	1500	Bank overdraft on 1st Jan	3,100
Subscription:		Investment in Securities	3000
2003	200	Furniture	1450
2004	16,200	Salary	6200
2005	250	16550 Printing & Stationery	890
Entertainment Proceeds	2000	Entertainment Expenses	1710
Entrance Fees	670	Sundry Expenses	1420
Interest on Securities	480	Balance on 31st Dec.	
Sale of old chairs (Book value nil)	120	Cash	550
		Bank	3100
	<u>21,420</u>		<u>21,420</u>

You are required to prepare an Income & Expenditure A/c & a Balance Sheet as on that date after considering the following :

- The Society has 1800 members each paying annual fees of Rs. 10, subscription amounting to Rs. 290 were in arrears for 2003.
- Stock of Stationery on 31.12.03 was Rs. 125 and on 31.12.04 was Rs.87.
- Entrance fees are to be Capitalised.
- Salary of Rs. 550 for December '04' is Outstanding. Expenses accrued on 31.12.03 Rs. 132. The Society had paid in 2003 for Telephone Charges out of which Rs. 125 related to 2004.
- On 31.12.03 Premises stood in the books at Rs. 24,500 and Investment at Rs. 6500. f) Depreciate Fixed Assets by 5% p.a.

[Opening capital Fund Rs 29,808, Surplus Rs 8,538 , Balance Sheet 39,816]

9] Given below is the Receipts and payments Account of Ganges club for the year ended 31st December,2008:

	Receipts	Rs	Payments	Rs.
To Balance b/d		4,100	By Salaries	2,400
"Subscription:		"	Rent	300
2007		160	"Misc.expenses	1,800
2008		8,200	"Magazine	600
2009		240	"Municipal Taxes	160
"Donations		2,160	" charity	1,400
"Sale of Tickets		3,800	"Investments	8,000
" Sale of waste paper		180	" Electric charges	580

"Balance c/d" 3,600
18,840 **18,840**

Prepare the club's Income and expenditure account for the year ending 31st December, 2008 and its Balance Sheet as on that date after taking the following information into consideration :

- (a) There are 500 members, each paying an annual subscription of Rs.20, Rs.200 still in arrears for 2007.
- (b) Municipal taxes paid up to 31st march, 2009 and Rs.200 for salaries outstanding
- (c) Building stood in the books at Rs.20,000 at the beginning of the year.
- (d) 6% interest has been accrued on investments for five months.

[Opening capital Fund Rs 24,460, Surplus Rs 8,940 , Balance Sheet 33,840]

10] Following is the Receipts and payments Account of X Club for the year ended 31st December, 2008:

	Receipts	Rs.	Payments	Rs.
Balance b/f			Salaries	
Cash	2,000		Secretary	6,000
Bank	12,000	14,000	Staff	5,000
Subscriptions for:			Canteen expenses	12,000
2007	500		Miscellaneous	2,500
2008	5,500		Construction of building	15,000
2009	400	6,400	Balance c/f:	
Interest from bank		1,000	Cash	1,300
Sale proceeds old newspaper		400	Bank	4,000
Sale of old furniture		2,000		5,300
Canteen collections		12,000		
Donation for building fund		10,000		
		45,800		45,800

With the additional information given below, prepare the income and expenditure account for the year ended 31st December, 2008 and and the balance sheet as on that date:

	31.12.07	31.12.08
	Rs	Rs
Subscriptions receivable	1,000	600
Subscription received in advance	200	400
Salary of staff outstanding	1,000	2,000
Canteen expenses prepaid	1,000	1,500
Furniture at book value	14,000	?
Buildings	15,000	?
Fixed deposit with Bank	10,000	10,000

Book value of furniture sold during the year 2008 was Rs.3,500

Charge depreciation on furniture @10% per annum on the closing balance.

[Opening capital Fund Rs 53,800, Deficit Rs 9,350 , Balance Sheet 56,850]

11] The following are the Receipts and payments Account of the social club in the respect of the year ended 31st March 2007.

Receipts	Rs.	Payments	Rs.
To Balance of cash on 1.4.2006	20,500	By salaries	41,600
To Subscriptions:		By stationery	8,000
2005-06 900		By rates	12,000
2006-07 42,200		By Telephone	2,000
2007-08 1,500	44,600	By Investment	25,000
To profit on sports meet	31,000	By sundry expenses	18,500
To Income from investments	20,000	By Balance of cash On 31.3.2007	9,000
	1,16,100		1,16,100

The following additional information is provided to you:

- i) There are 450 members each paying an annual subscription of Rs. 100; Rs. 1,000 were in arrears for 2005-2006 as on 1st April , 2006.
- (ii) On 31st March, 2007 the rates were prepaid to 30th June, 2007; the charge paid every year being Rs. 12,000.
- (iii) There was an outstanding telephone bill for Rs. 700 on 31st March, 2007.
- (iv) Outstanding sundry expenses as on 31st March, 2006 totaled Rs. 1400.
- (v) Stock of stationery on 31st March, 2006 was Rs. 1,000; on 31st March, 2007 it was Rs. 1,800
- (vi) On 31st March, 2006, building stood in the books at Rs. 2,00,000 and it was subject to depreciation at 5% per annum.
- (vii) Investments on 31st March , 2006 stood at Rs. 4,00,000.
- (viii) On 31st March, 2007 income accrued on investments purchased during the year amounted Rs. 750.

Prepare an income and expenditure account for the year ended 31st March, 2007 and the balance sheet as at that date.

[Surplus Rs 6,150, Opening Capital Fund Rs 6,24,100, Balance Sheet Rs 6,32,450]

Receipts & Payments Account :

12) From the following Income & Expenditure Account of Kanchanjangha Club, Siliguri and other relevant information given below, you are asked to prepare a Receipts & Payments Account :

Income & Expenditure A/c for the year ended 31st Dec. 2007

Dr.		Rs.	Income	Cr. Rs.
To Salaries		6,000	By subscriptions	18,000
To Electric Charges		900	By Donations (50%)	1,500
To Telephone Charges		1,950		
To Office Expenses		3,750		
To Newspaper & Periodicals		1,200		
To Depreciation furniture		750		
To Excess of income over				

Expenditure	4,950	
	19,500	19,500

Additional Information :

- (a) Balance of cash on 1.1.2007 was Rs. 2,250
 (b) Entrance fees received during the year Rs. 3,000 fully capitalised.
 (c) Subscriptions for 2007 yet to be received Rs. 2,100 and Rs. 1,500 was received in respect of 2006.
 (d) Salaries outstanding for 2007 Rs. 1,200.
 (e) Telephone charges prepaid in 2007 Rs. 150.
 (f) Balance of furniture on 1.1.2007 and 31.12.2007 were Rs. 6,000 and Rs. 7,500 respectively.
[Balance of cash on 31.12.2007 was Rs. 10,650]

13] From the given income and expenditure account of Chandan nagore Club and other information available, prepare a receipts and payment **Account** for the year ended 31st March, 2008
Income and Expenditure Account for the year ended 31.3.08

Dr.			Cr,
Expenditure	Amount	Income	Amount
	Rs.		Rs.
To Salaries	6,000	By Donation	16,000
To Expenses	8,000	By Subscription	20,000
To Rate & Taxes	3,000		
To Depreciation	3,800		
To Surplus -- (Excess of Income over expenditure)	15,200		
	<u>36,000</u>		<u>36,000</u>

Other information :	1.4.07	31.3.08
	Rs.	Rs.
Fixed Assets	20,000	22,000
Subscription received in Advance	—	4,000
Expenses Outstanding	300	500
Subscription Outstanding	4,000	6,000
Cash in hand	3,000	?
Cash at Bank	300	15,200

[Closing cash in hand Rs 3,500]